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Housewares: glassware, clocks, ha
Retailers discover Columbus

Vol. 63, No. 4

Chain Store Age

GENERAL MERCHANDISE TRENDS

APRIL 1987

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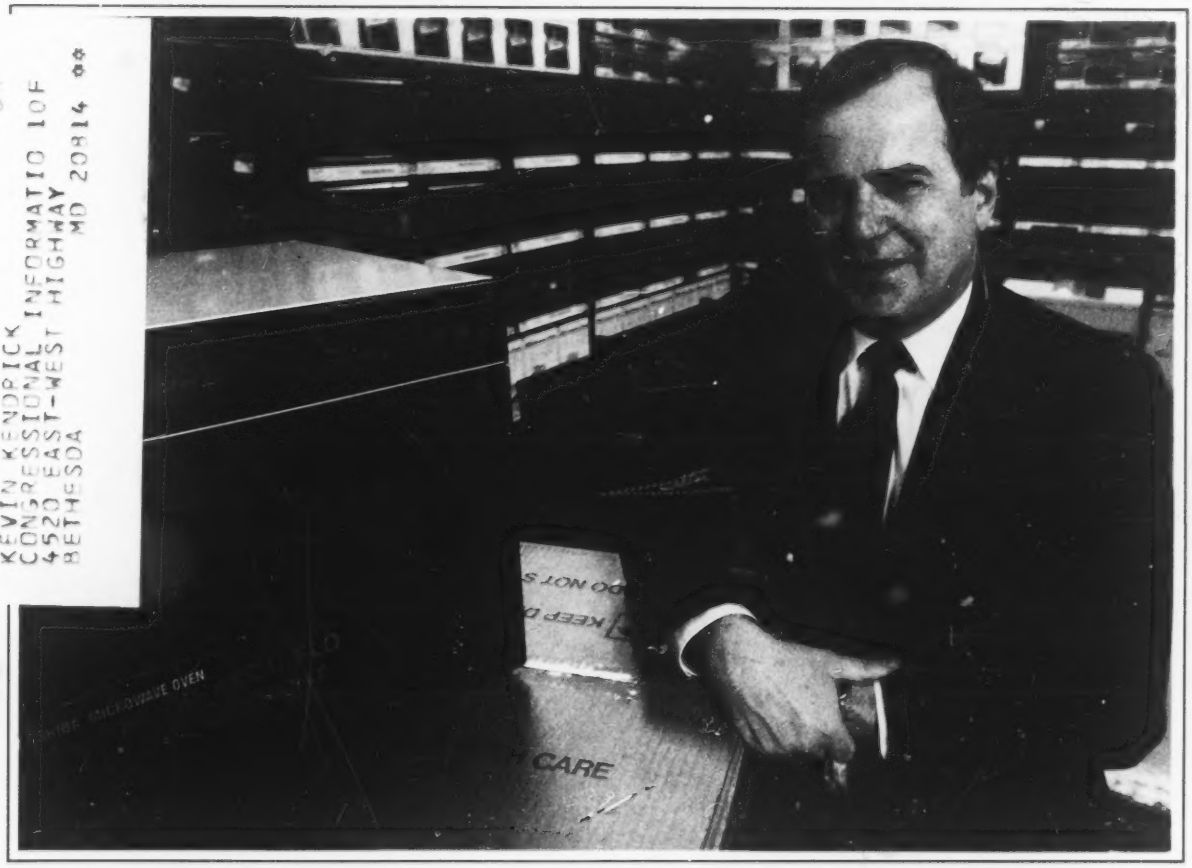

John Bevan VP/Appliances and Electronics

TWO DOLLARS PER ISSUE

CHAIN STORE AGE—GENERAL MERCHANDISE TRENDS

APRIL 1987

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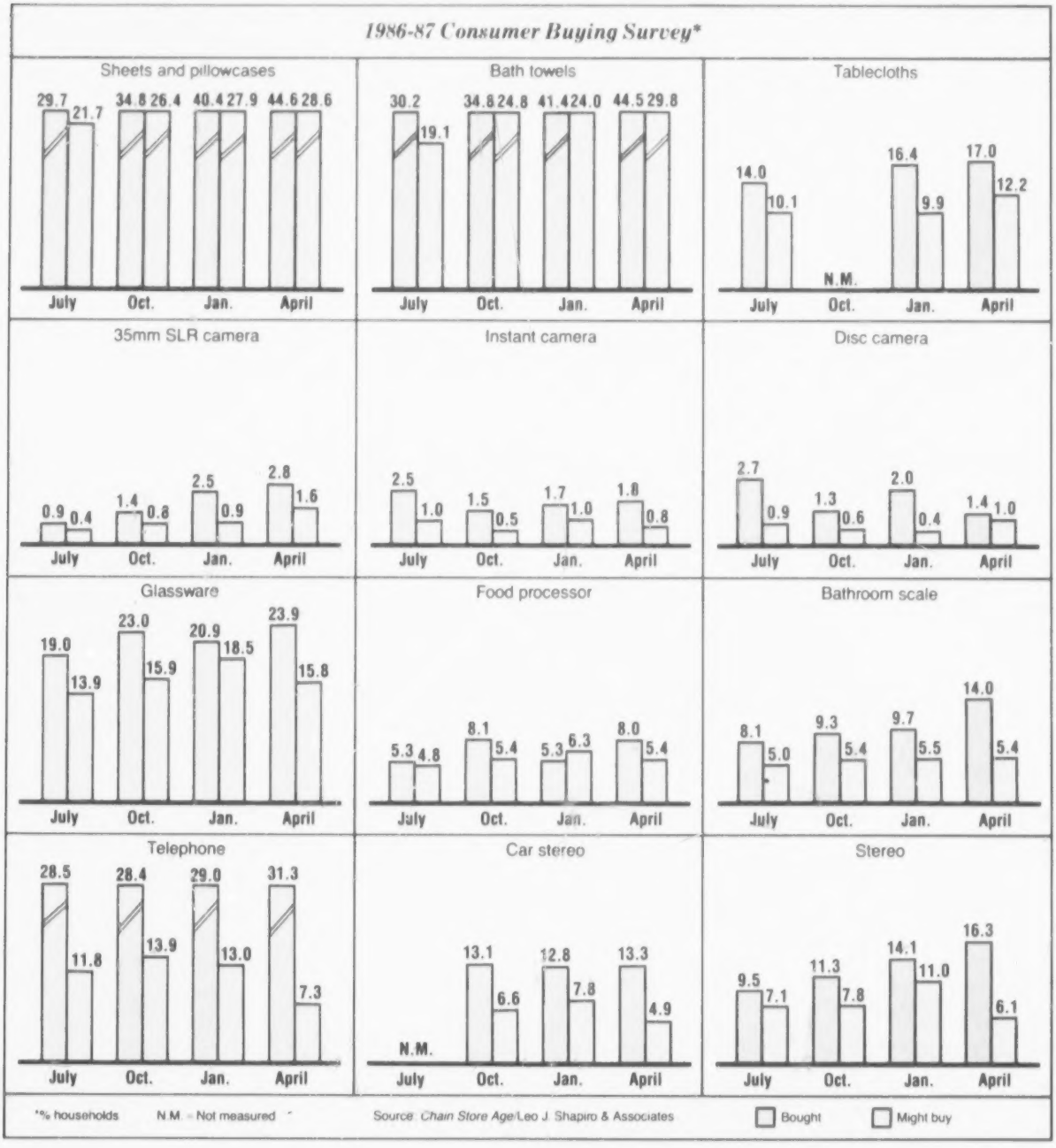
CE and housewares slowdown in sight

Hardlines inventory levels might prove difficult to contain this year. According to the latest *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends poll, the best year-to-year sales comparisons could already be over.

Families in the MarkeTrends survey are beginning to rein in their buying plans. If retail buyers plan for increases in the latter part of the year equal to ones racked up in the first few months, inventories—and profits—could be the victim.

Up until the April poll, MarkeTrends families looked willing to continue their spendthrift ways, despite high personal debt levels. With the bills now rolling in, however, they are giving their spending plans a second look.

"Retailers might be surprised at how the year unfolds," agrees James Newton, president of Delaware, Ohio-based Economic Perspectives. "While the conventional wisdom suggests that retail sales growth will start off slowly and build as the year progresses, it is more likely that the opposite will be true."



One reason for the effect, Newton says, is the impact new tax laws had on late 1986 consumer spending. The law exaggerated results for many retailers of nonautomotive merchandise, he says. "This means that retailers will have to watch inventories even more closely during 1987 than last year to be highly profitable," Newton says, "since the best growth rates of 1987 will come early in the year when sales volumes are low."

Newton's retail forecast by store type shows that the first half will still offer relatively high year-over-year growth rates for durable goods retailers, such as furniture stores, consumer electronics stores and home centers.

"People didn't run out late last year and buy all of their big ticket durable goods before the end of sales tax deductability," Newton says.

After the first half of the year, the Economic Perspectives president predicts that sales growth for big ticket durables will begin to fade as consumers reduce their high debt levels. On the other hand, Newton sees a number of nondurable goods retailers recording favorable sales growth throughout the year.

For 7 out of the 12 merchandise categories tracked in this month's MarkeTrends survey, families are reporting leaner buyer intentions than they did just three months ago.

Some of the biggest downturns are coming from home electronics products. In the latest poll, 45% fewer families say that they expect to buy a stereo compared to the January reading. Forty-four per cent fewer households expect to buy a telephone, and 37% less a car stereo.

Each of the electronics products illustrates the trap being set for buying plans that assume the year's early results will continue to the end. In the first three months of 1987, stereos recorded a 16% sales increase. Telephones posted an 8% sales uptick, and car stereos 4%.

Similar patterns can be seen in bathroom scales, food processors, glassware and instant cameras. All four recorded sales gains in the year's first months, but show drop offs in buying plans for the rest of 1987.

Apparently immune to the customer's trimmed back buying plans are the domestics categories tracked in this month's survey. Sheets, pillowcases, bath towels and tablecloths are recording both higher sales over the last three months and stronger buying intentions for the rest of the year.

Also showing a healthy increase are single lens reflex cameras. But the numbers beg for caution. MarkeTrends families have proved themselves in past surveys to be remarkably inept when it comes to distinguishing SLRs from lens shutter cameras.

Indeed, the current poll shows a sales increase for SLRs over the last year. In reality, SLR volume was down by about 200,000 units in 1986. A more prudent reading of the survey's results would indicate an uptick in customer interest for cameras in general and 35mm in particular. □

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WHAT WILL MOVE PORTABLE HEADPHONE AUDIO

Price, price and price. Color, brand name and store selection play second fiddle to the No. 1 consumer concern. Long warranty periods are also rated as "very important."

***More than one-third of those polled** own at least one headphone stereo and 6.3% own three or more.*

Color them some bright fashion hue. Tout a brand name. Pitch the store. The result will be the same. None of these strategies will bring new life to portable headphone audio. What will work? Price. What else? Maybe warranty.

These are some of the results of an exclusive *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends study of portable headset audio. The nationwide telephone survey of 450 families, selected at random, confirms the difficulties ahead for the once fast growing category.

More than one-third of the MarkeTrends families report that they already own at least one headphone stereo. In the average household there are 1.7. A full 6.3% of the families in the poll report owning three or more.

And that might be the problem. New features and new colors for portable headphone audio seem to be falling on deaf ears. Only 1.6% of the MarkeTrends families say they definitely will buy a new one this year, while 75.6% report they definitely will not.

Gone are the days of burgeoning sales and heady sales projections. In 1986 factory unit sales of headset audio leaped ahead 22%, according to the Electronics Industries Association (EIA). This year sales gains will slow to a 7% pace, according to EIA projections.

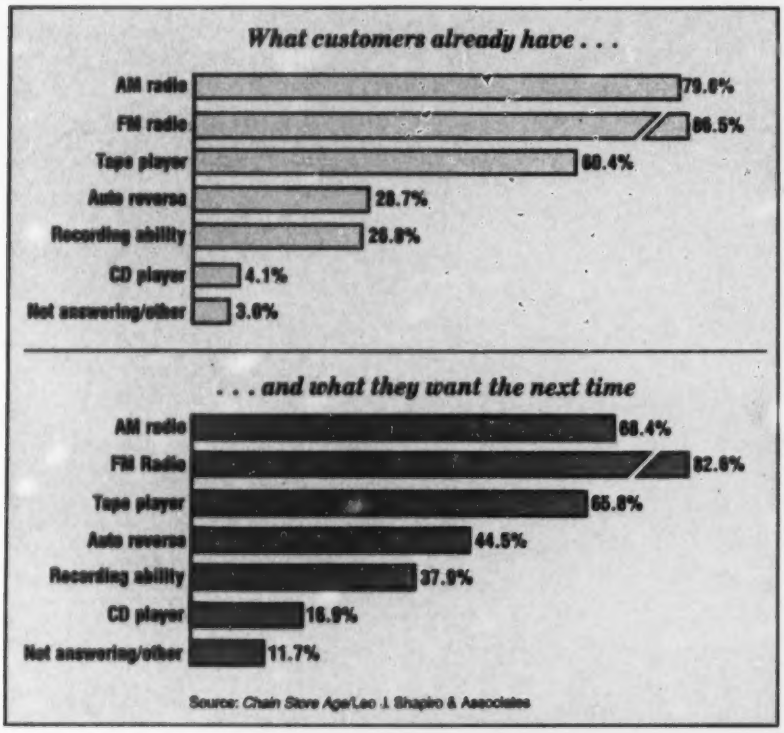
To rekindle customer interest, vendors have pulled out just about every strategy from the marketing bag of tricks, but to little avail—unless staving off a decrease is counted as a success.

Color has sparked customer interest in other electronics categories, but for headset audio new hues are falling flat. Asked how important color is in their buying decision, the MarkeTrends families respond: not too important.

On a scale ranging from 1 to 10, with 1 being "not at all important" to 10 as "very important," customers in the poll give color a lowly 3.6 average rank. Over one-third of the respondents rate color as "not at all important."

The retailer's reputation is only slightly more convincing when the customer figures which headset stereo to buy. The store gets an average rank of 4.5, with 18% saying the store's reputation is not very important at all. Only 9% think the store is a very important factor in the buying equation for portable headset audio.

At first glance, brand name looks like the way to grab the customer's interest. In the MarkeTrends poll, 23% say that brand name is a very important critereon in choosing which headphone audio set to buy. Only 9% report that the nameplate plays no importance in their buying equation.



But customers might be overstating the true importance of brands. If the same question is asked in another way, the results are surprisingly different.

To test brand loyalty, MarkeTrends families first were asked what brand of headset audio unit they last bought. Then the same households were asked what brand they expected to buy the next time out. The results indicate that there is actually little brand loyalty in the marketplace.

Only Sony's Walkman is able to take more than half of its current market the second time out. Sixty per cent of current Sony owners say that they will buy a Walkman the next time, too.

As tepid as Sony's brand loyalty may be, it beats the rest of the field. Only about one-third of General Electric owners report that they will seek out the G.E. nameplate for their next purchase. About one-fourth of Panasonic's current customers expect to buy that brand again. Some 20% of Sears private-label customers will buy from the

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cataloger next time.

What will work? Price, price and price. Almost half (48.6%) of the MarkeTrends families say that price is "very important" in choosing which headphone audio set to buy. Fewer than 1 in 20 households in the survey report that price is no object.

What else will work? A long warranty might do the trick for some customers. Nearly 2 out of 5 families—second only to the number who cite price—rate warranty length of high importance when they choose a particular headphone audio set to buy.

The combination of a price driven market, along with weak brand loyalty, opens the door for successful private-label programs, as well as openings for off brands. For both, the key to success, the MarkeTrends poll suggests, would be hefty warranties.

Sears, for one, is living, breathing proof that private label is a viable way to go in portable headphone audio. While it has rushed into name brands in some other categories, Sears has stuck almost entirely with private label in headset audio. The result: Sears sells about 9% of all the headset audio units in the United States.

The nation's biggest retailer of headset audio, however, is its biggest discounter. K mart, according to the MarkeTrends survey, sells about 11% of all units in the country and outperforms every other single retailer. In total, discount stores take exactly one-third of all sales, the poll indicates.

Audio and electronics stores follow with 20% of unit sales. Next are catalog showrooms, which take a 12% share. □

Features tell another story

In one important sense—sales—portable headphone audio has reached maturity. Only 1.6% of families in the *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends survey say that they definitely will buy a headset audio unit this year.

Features, however, are another story. Unlike most mature categories, where the customer has settled into some fairly predictable patterns, the customer for headphone audio is still willing to toy with new features.

For one, the next headset audio unit he—or more appropriately, she—expects to buy is four times more likely to include a compact disc player than is the current models she owns. About 1 in 17 families in the MarkeTrends poll says that their next headphone stereo will include a CD player.

Other features growing in popularity: auto reverse, recording ability and tape players.

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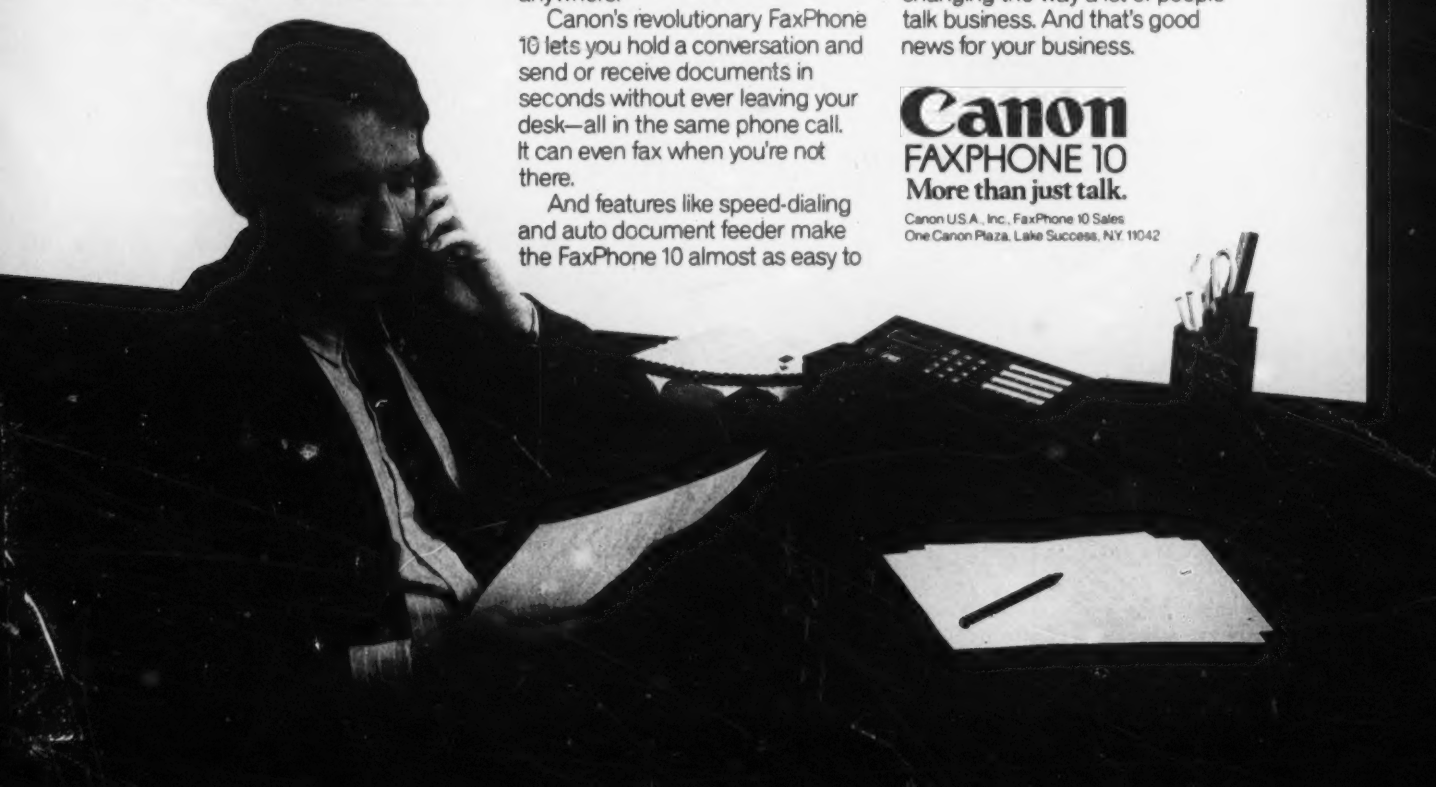

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DISCOUNTERS NEED AN IMAGE CHANGE IN GLASSWARE

Discounters are losing ground, and department and specialty stores are gobbling it up. Shoppers do not think discounters have the products and looks they want.

Some nicks and chips are appearing on the discounter side of the glassware market, according to the latest *Chain Store Age* MarkeTrends survey. Meanwhile, department stores are drawing strong interest from glassware shoppers of various income levels.

The shift could be significant, since the study also showed that the department store glassware shopper has price expectations and product preferences that differ from the average.

The differences cannot be credited simply to affluence, since households earning between $15,000 and $20,000 are among those attracted to department store glassware.

When respondents were asked where they would go to buy their next glassware, discount stores appeared on the shopping maps of 23%. That is a sharp drop from June 1986, when a previous MarkeTrends study found 34% of households ready to head for discount stores.

The recent survey showed department stores earning 30% of the store preference votes, compared with 26.6% 10 months earlier. Also picking up some of the discounters' slack were the Sears-Penney-Ward combination. The Big 3 drew 10.6% of the mentions, compared to 4.3% last June.

Specialty stores gained, too, rising from 4.3% to 6.2% in consumer purchasing plans.

The latest survey probed deeply into the features consumers prefer in glassware. Results indicate that discount stores may be losing ground because shoppers do not expect them to have the styles and looks they want.

Selections seem to mirror lifestyle trends. As expected, the old reliable 12-oz. beverage glass heads shopping lists for a majority of the households polled. About 52% say they would definitely want that kitchen staple the next time they buy glassware.

***Two out of five** shoppers are interested in buying stemware.*

However, stemware is also attracting significant interest. It was rated as definitely wanted by 21.8% of those polled. That put wine glasses nearly on the same level of desirability as 7-oz. juice glasses, definitely wanted by 27.7%. Iced tea glasses outstripped both, attracting definite interest from 1 out of 3 consumers.

Few respondents, about 2%, had no opinion on the types of glassware wanted.

Mass merchants carry iced tea glasses and stemware, but consumers searching for those items may be missing the message. Until the recent debut of the 4-pack, these products often appeared on discounters' shelves as part of a boxed multi-item assortment.

Boxes with a little bit of everything still remain popular with many discount chains, where they are often the focus of promotions. Zayre several months ago had a 16-piece glassware ensemble on sale for $5.88, or about 37¢ a glass.

That is an enticing promotional price. However, most consumers do not want jumbled assortments, the survey found.

Sets are preferred over individual glasses, by a 76% to 21% margin. But sets of glasses in various sizes find favor with less than one-third of those surveyed (30.2%). The majority, 68.1%, want same-size glasses in their ensembles.

As for stemware, it tends to be associated with department stores,

the Big 3 and specialty stores. White wine and consumers have had a romance since the 1970's, but discounters were slow to seize the trend, partly because of breakage concerns.

New packaging systems adopted by mass-oriented vendors such as Anchor Hocking have solved breakage and shelf space problems. However, a marketing exec at one glassware company finds discounters still wary of stemware. According to him, they think that real discount customers don't drink wine.

To some extent, that assumption is correct. Shoppers planning to make their glassware purchases at discount stores show below-average interest in stemware, the survey reveals. Nearly 86% say they will definitely not select stemware when they next purchase glassware. By comparison, only 57.3% of the total sample gives stemware a definite thumbs down.

Correspondingly, those intending to browse in department stores outpace the average in intention to buy stemware. Only 47.8% say that they will definitely not want it.

All signs point to a chicken-and-egg problem. With discounters failing to make a strong statement in stemware, shoppers looking for wine glasses and such may be detouring past their doors.

That is a sizable portion of the glassware market to lose. In addition to the consumers with definite or probable stemware purchasing intentions, nearly 19% say they may want it. That means 2 out of 5 shoppers have some interest.

Iced tea glasses seem to trigger the same store-preference patterns. Consumers definitely or probably wanting these "coolers" gave their warmest reception to the Big 3 and department stores. Mass merchants generally carry these much-wanted items, but that may not be evident to the consumer. Bulky boxed sets could be obscuring the story.

Discounters may need to re-examine taste level factors. When consumers were asked about the designs, textures and tints they want in glassware, classic sleek lines came out strong. Painted glass may help differentiate one vendor's line from another, but it also may be shooting right past the customer.

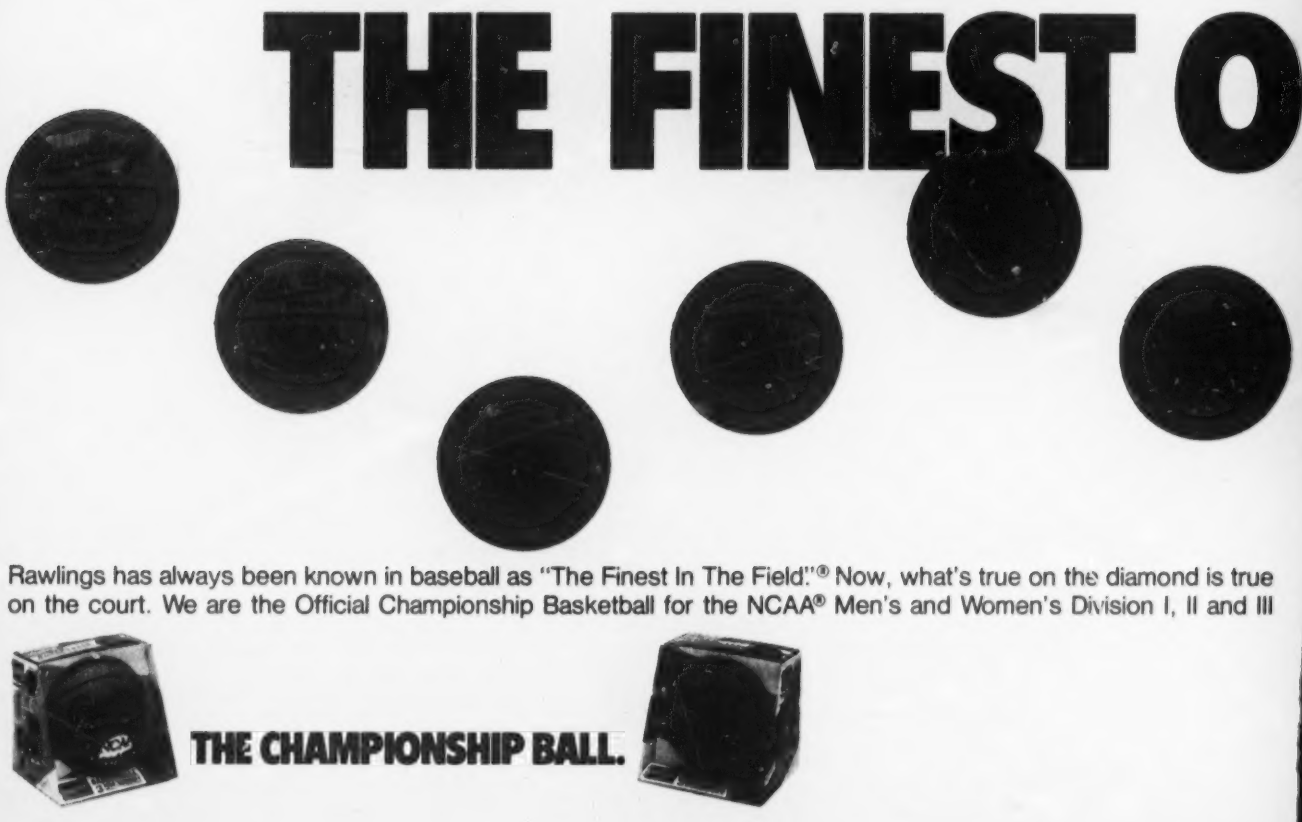
Slightly more than 62% of those polled like their glasses plain, while about 31% prefer a design and 7% had no answer to this question. Stripes are the choice of only 3% of the total sample, while 26.2% say they would want some other design.

In other words, only slightly more than one-quarter of the market wants those rainbow-colored dots, spirals and palm trees that are splashed over so much promotional glass.

On the question of clear vs. tinted glass, clear was preferred by 7 out of 10 respondents, while tinted glass earned slightly less than 23% of the votes, and 5.6% had no opinion.

Here again, shoppers sorted themselves out according to the store type most likely to carry the desired product. Those wanting tinted glass tend to have discount stores or the Big 3 in mind.

Smooth glass is the choice of near-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ly 71% of all households, but a significant 21.5% would like some other texture. Nearly 8% had no answer to this query. Cut or beveled glass is the preference of 14.2%, with 7% wanting some other texture.

A feature attracting strong approval from shoppers across the board is the heavy base. Nearly 54% prefer it in their glassware, with discount store and department store shoppers running about equal in this feature preference.

As discounters lose attraction for potential purchasers, price expectations are on the uptick. As compared with results from the June 1986 MarkeTrends survey, the recent results suggest trade up movement.

The survey 10 months ago found 39% of the sample planning to spend $10 or less for glassware. By contrast, only 9.9% of respondents to the latest survey named that price range.

Price expectations did not directly vary with the number of items the consumer expected to buy. Most consumers anticipating a tag of $10 or less wanted six or eight items in a set. Those expecting to spend $50 to $99 tended to want sets that were only slightly larger, with 9 or 10 glasses. Big spenders do not necessarily expect more volume.

Overall, the largest portion of consumers, 36.7% named 8 or 9 as the number of glasses they would expect to come in a set.

***Forty-eight per cent** of those polled expect to pay $10 to $49 for glassware.*

The largest concentration plan to pay $10 to $49 for the glassware they want, but a significant number are braced for bigger tickets. Falling into the $50 to $99 price expectation range were 7.7%, while 11.2% plan to shell out more than $100. A large portion of respondents, 22.8%, had no answer to the question. □

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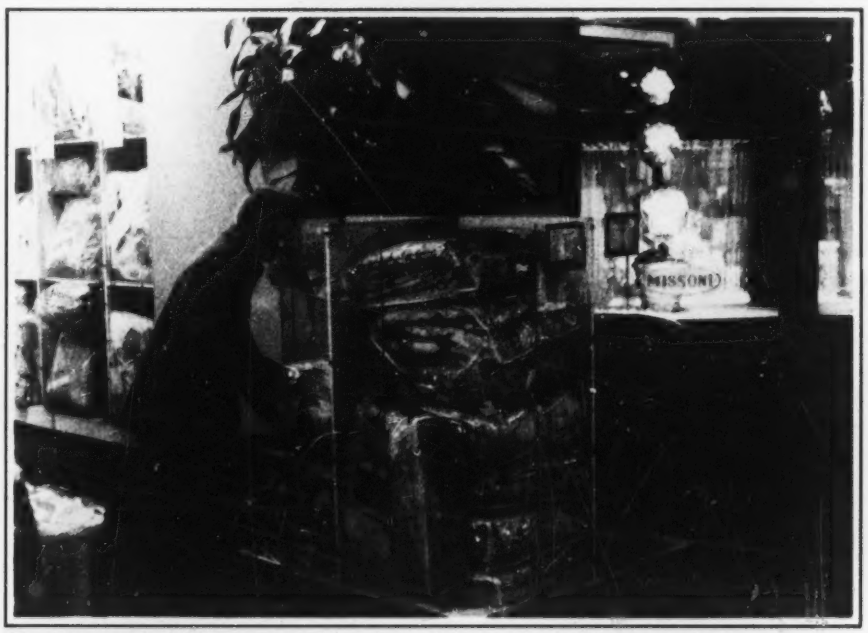
CONSUMERS WARM UP TO BEDSPREADS

Comforters, once seen as a dire threat to bedspreads, apparently learned their place: under the spread. Spreads have come back with quilting and free-form fits.



***Machine washability was considered** crucial; 63.1% rated it a score of 9.*

The "unmade bed," so voguish several years ago, seems to have lost its appeal. Consumers are back to tucking sheets into hospital corners and topping them off with a bedspread.

That is the conclusion of a *Chain Store Age* MarkeTrends survey revealing that nearly 9 out of 10 of all households currently use a bedspread on at least one bed. Comforters, once seen as a dire threat to the category, apparently have learned their place: under the spread.

According to retailers, bedspreads began their revival in 1985, when sales were judged fair to good. MarkeTrends research points to a continuation of moderate but steady growth.

Nearly 6% of all households polled have definite plans of purchasing a bedspread in the next 12 months. In addition, close to 14% rate their chances of a next-year purchase as probable, and 28% more give it a "maybe."

That leaves a minority of consumers, 46%, dead-set against the idea of a new bedspread in the coming year, while 6.4% had no answer to this question.

Though challenged by the country look—with comforter plus shams and bed ruffle adding up to a finished look—the bedspread managed to rebound. The trick is that it came back in an altered form, with quilting and free-form fit upstaging the old woven standard.

Survey results show that the updated bedspread has made all the difference, with consumers hungry for more of the new look. Moreover, the changes appear to have added perceived value.

To get the bedspread they want, 15% of all consumers expect to pay more than $100. That kind of anticipation would have been unlikely years ago, when bedspreads were likely to be skimpy chenilles.

Price expectations are even higher for consumers with definite plans to purchase the item in the next 12 months. Most are looking for the higher-priced spread; 1 out of 5 expect the tab to top $100. In fact, most of this active-market group's members are prepared to spend $125-plus.

In most cases, that price is calculated with a full-size bedspread in mind. Asked what size bedspread they would look for, 2 out of 5 consumers specified full. Nearly one-third (32.3%) named queen, while king got a surprising 24% of the mentions. The size least likely to be named was twin, cited by 14.5%.

King attracts even more intense interest from the group with definite next-year buying intention. About one-third of these consumers say they would be looking for a bedspread in king size.

Respondents were asked to rate the importance of four bedspread features on a scale from 1 to 9, with 9 signifying "very important" and 1 meaning "not at all important." Features measured were appearance, machine washability, ease of handling and warmth.

Some bedspread vendors have wondered if bedspreads are bought for their comforter-like qualities. The popularity of quilted spreads has given rise to some speculation about whether they are kept on the

*Which of these features would you want in your next bedspread?**	
Texture	
Quilted	65.0%
Not quilted	29.9%
Not answering	5.1%
Fabric	
Cotton/cotton blend	79.8%
Silk/silk-like	10.1%
Velvet	4.3%
Chintz	2.9%
Not answering	3.7%
Fit	
Loose	66.9%
Tailored	25.5%
Very tight	3.9%
Not answering	4.7%

*Base: All respondents
Source: *Chain Store Age*/Leo J. Shapiro & Associates

bed all night.

That seems likely, but only in a minority of households. Of all features evaluated, the warmth provided by the bedspread received the lowest importance rating, with an average score of 6.42 on the 0 to 9 spectrum.

However, 2 out of 5 consumers rated warmth as highly important, meaning that it is a factor to be considered for packaging and ad copy. Respondents granting warmth the highest possible rating were offset by the 13.1% giving it the lowest mark.

The votes on the ease of handling issue were not spread nearly as wide, but a large portion of consumers gave it a lukewarm 5 or 7 rating. As a result, its average score on the importance scale was 7.29. Fewer than half the sample, 45.9%, consider handling ease very important. This feature came in third of the four features evaluated.

Machine washability was considered more crucial, with 63.1% dealing it a score of 9. Very few respondents, 3%, called it not at all important, and the average score was 8.03.

Yet not all bedspreads can survive a trip through the washing machine. Dakotah, maker of high-end quilted bedspreads, requires dry cleaning for most of its products.

But Dakotah bedspreads, most of which are made to order, are strong in the looks department. And appearance matters most of all, the survey found. It earned an average importance score of 8.38, with 7 out of 10 respondents giving it the highest rating.

The desired look is likely to be a pattern. A slight majority of those surveyed, 51.8%, prefer patterns over solids. Those choosing solid colors showed a strong inclination toward blue, which won more than one-third of all color mentions.

Quilted spreads emerged victorious over wovens by a wide margin. Sixty-five per cent of consumers would choose quilting for their next bedspread, compared with about 30% who would not. Five per cent have no opinion.

Cotton and cotton blends trounced other fabrics, earning nearly 4 out of 5 votes. Chintz has been mentioned in the industry as an emerging fabric of importance, but it was cited as a favorite only 3% of the time.

On the other hand, silk and silk-like fabrics, also observed to be upcoming contenders, showed definite strength. They snared 13% of the fabric mentions. Velvet would be the choice of 4% of the sample, while another 4% had no answer to the fabric question.

Loose fit is obviously the fashion of the day, appealing to nearly 64% of bedspread shoppers. That compares with the one-fourth who prefer a tailored fit.

The preference for quilting and looseness prove that bedspreads have risen to the "unmade bed" challenge by mimicking the look of comforters. Further proof is provided by the results on the style question.

Traditional was the choice of 29.3% of households, giving it a slight edge over the other styles mentioned. In second place was contemporary, mentioned by 27.5%, and country came next with 21.4%. Colonial was the preferred style of 14.6%, and 7.2% had no preference.

Both country and traditional describe the Laura Ashley-type look that has scored a hit in both upscale and mass market interpretations. Contemporary, of course, is something else, and when the total sample was questioned on the style issue, contemporary did win the No. 2 spot.

But a closer look at the data reveals that shoppers with little intention of making a next-year purchase skewed the results. They showed an above-average tendency to cite the contemporary style.

***The warmth provided** by a bedspread received the lowest importance rating.*

Bedspreads are merchandised either with draperies or with sheets and other bed linens. Some retailers have noted that sales seem stronger in the drapery department. The survey bears this out: 43.1% of all those surveyed said they would want their bedspread to coordinate with their drapes. Thus it makes sense to display the two products together.

Asked where they would go to buy their next bedspread, consumers voiced strong support for Sears and J. C. Penney, which earned 15.5% and 11.5% of the votes, respectively. That put these two members of the Big 3 slightly ahead of department stores, which were mentioned by 27.7% of the sample.

Discounters attracted 17.1% of the store preference votes. □

Once a stepchild in the store, clocks now have a home of their own. But, retailers still say it is tricky striking the right balance between function and fashion.

Clocks find a home of their own

Clocks, a category once scattered throughout the store, now have a home to call their own. Retailers including Fortunoff, Sears and Mars have pulled clocks together in a freestanding area often near housewares or home furnishings.

The result, say suppliers, is a 10% to 15% sales increase in the estimated $800 million (retail sales including decorative and functional) category. This surge in sales follows several lackluster seasons.

"For too many years, clocks were a stepchild to other categories," laments Bob Krecl, vp marketing for General Time Corp., parent of Westclox and Seth Thomas. "Now retailers are realizing the opportunity and they are making a better statement. In turn, customers are more apt to pick up a clock on impulse or as a gift."

Anthony Rodriguez, vp and general manager for Bulova's Clock and Premium divisions agrees the new emphasis is bolstering sales.

"Retailers used to lump clocks in with different departments all over the store such as lamps, jewelry or housewares. We've found the really good clock accounts are those who now give the department its own area and inventory number."

According to Marvin Feig, sr. vp sales and marketing for Spartus, the best location varies by retail trade class. "For department stores, clocks work well with decorative accessories, but in mass outlets, where clocks usually retail for under $40, locations near jewelry or home decor work well, too."

But no matter where the department, the common thread, running across the accounts who are judged by vendors to be the best clock merchants, is commitment. An average clock department requires anywhere from 75 to 400 sku's, suppliers say. The superior clock merchants are those willing to make a strong statement.

Fortunoff, for instance, turns over about 1,000 sq. ft. to an array of 600 clocks. Lechmere devotes a full wall to wall clocks. Sears is making a bigger splash in clocks with the relocation of the department from jewelry to a bona fide home near lamps.

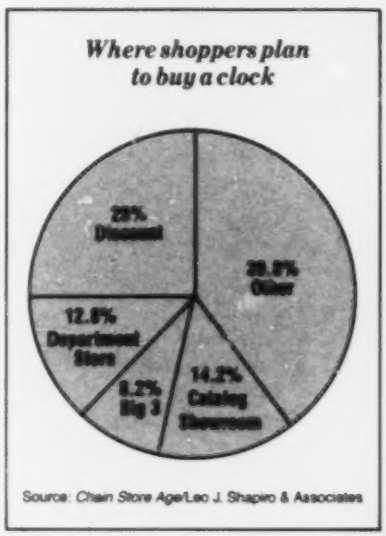
Several other retailers are now following suit. Mars Stores based in North Dighton, Mass., for example, recently relocated and remerchandised the department.

"We merged clocks into one area near housewares," says buyer Richard Heifetz. "Before, we had wall clocks near small appliances, and alarm clocks near jewelry. It is too early to tell the impact, but it is easier for shoppers to find clocks."

This creation of a clock department is welcome news to suppliers who complain clocks—a category yielding margins over 40%—have been given short shrift.

"You used to go into some stores and ask a clerk where clocks were and she wouldn't know," chuckles one supplier.

Yet, the creation of a full-fledged department has not made the category any easier to manage on both the vendor and retailer sides. At Mars, in fact, the melding of the two areas forced Heifetz to cut back his 12-ft. wall-clock department to 8 ft.



Vendors say an average clock dept. requires anywhere from 75 to 400 sku's.

to accommodate table and alarm models.

The situation is even more ticklish with the influx of color into the category. "A great deal of retailers are making a total color statement by merchandising everything from colorful garbage pails to clocks together," says Feig. "Color is big."

At General Time, the advent of color has been so successful, according to Krecl, Westclox expanded its boldly colored Sizzlers line. In addition to pink, purple (the fastest seller in color) and fire orange, the company has Softees in pink, lavender and peach.

Although colorful clocks have added a new vibrancy to the department, they have caused merchandising headaches.

"Before we had three color clocks, white, off-white and brown. Now people want clocks to match boom boxes and blow dryers. You try to find space for these sku's,"

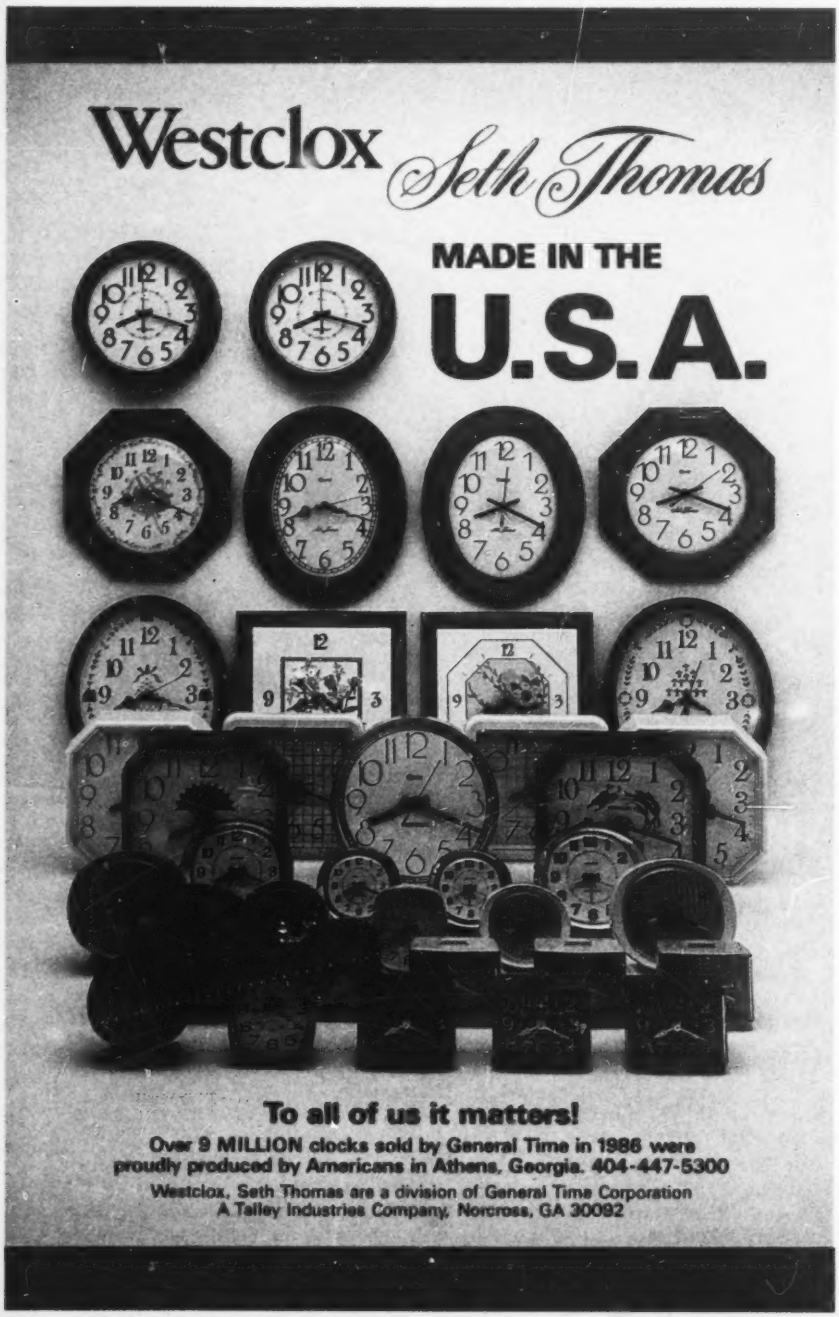
says one discounter.

But while colors are taking center stage for kitchens and bedrooms, a return to traditional looks and country styles are being noticed in decorative clocks.

"We are seeing renewed interest in wood clocks and wood trims," confirms a Sears spokesman. Adds, Heifetz, "We will be adjusting our mix to include more country styles."

Country looks—ignited by furniture manufacturers' debut at High Point, N.C., last October of country furniture—are expected to take up the slack in sales of contemporary metallic offerings, say suppliers. "We are seeing more interest in country styles and our traditional, pedulum clocks priced in the $80 to $200 range," notes Feig.

Recent research conducted by *Chain Store Age*/Leo J. Shapiro & Associates underscores the move back to traditional tastes. Over 60% of consumers polled indicated plans to buy a clock encased in wood. □


Westclox
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To all of us it matters!
Over 9 MILLION clocks sold by General Time in 1986 were proudly produced by Americans in Athens, Georgia. 404-447-5300
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Tops enters small appliances

Reports indicate that Tops' venture into small electrics should prove successful.

The New York metropolitan area has a new feisty kid on the block in electric housewares: Tops Appliance City.

The two-unit New Jersey electronics-major appliance specialty chain entered the competitive small appliance market this winter with much fanfare and, as one supplier put it, "has moved tons of merchandise."

Early reports indicate that Tops has every right to expect that its foray into electric housewares will be as productive as its venture into another nonelectronics classification, vacuum cleaners. Even before it opened the Secaucus branch late last year, buyer Jeff Schein boasted that Tops'cavernous Edison, N.J., store was the largest one-unit retail floor care merchandiser in the New York metropolitan area.

As it does with vacs, Tops claims to have the largest assortment of small appliances in New Jersey. It supports this broad selection with large full page ads each Friday shouting out both electrics and floor care merchandise at very low prices.

A typical ad recently featured a Sunbeam steam/dry iron with steel body at $20; Panasonic food processor, $49; Oster 12-cup coffeemaker with digital timer, $45; Proctor-Silex 4-slice toaster, $19; Waring 16-speed blender, $25; and Wear-Ever cornpopper, $8.

Tops' rationale for entering the traffic drawing electric housewares market was the same that it had for moving into floor care, Schein said. The store's executives saw a great opportunity in electrics with so many department stores and discount houses de-emphasizing the low margin classification more and more. Tops, they believe, can fill that void, Schein said. □

February sales record 13.6% gain

February sales results were unexpectedly above plan for most retailers. The 19 retail companies tracked by *Chain Store Age* recorded a combined 13.6% gain over results from the same month the year before.

Before reading too much optimism into the results, however, many retailers noted that the figures compared to one of 1986's weakest months. In addition, sales were considerably stronger in the first part of the month, and steadily weakened as the reporting period came to a close.

Still, the results raised at least some hopes that 1987 would turn into a better year than analysts are predicting. For the third month in a row, and for the fourth time in the last five months, sales outpaced the rate recorded in the previous 12 months.

Nonetheless, sales were not even across either geographic areas or across merchandise lines. J. C. Penney chairman William Howell reported brisk sales in the East, but weak in economically depressed areas of the Southwest. Howell further noted that the month's largest gains came from women's and men's apparel and soft home furnishings. Same-store volume for Penney was 5.5% ahead of the same period a year ago.

For Sears, the nation's biggest retailer, February brought its highest monthly increase since July 1986. U.S. Merchandising Group sales were ahead 4.8%, just slightly behind the 4.9% rate set by combined domestic and international operations. Sears noted that catalog sales were exceptionally strong. Leading merchandise categories included apparel, home fashions and hardware.

The news at Montgomery Ward was even better. Net sales jumped ahead 11.1% in February, with comparable-store results leaping 12.7%. Strongest gains came from the Home Store and Appliance/Electronics categories, the company said.

May Dept. Stores reported February sales up 15%, with the biggest gain coming from its struggling Caldor discount store chain. Caldor's results were 30.3% ahead of the same period a year ago, as the discounter took extensive markdowns clearing the way to reposition its inventory.

At Dayton Hudson, its Target discount division recorded the best same-store results, gaining 12%, but the real news may have been that Mervyn's could be finding its way out of its recent sales and profit slump. On the sales side at least, the picture at Mervyn's is considerably brighter in February than it has been in recent months. Total sales were up 16% and comparable stores gained 10%.

Lechmere, thanks mainly to new stores in the Southeast, recorded a 53% sales leap for the month, with same-store figures increasing 10%. Dayton Hudson's department stores, which last year led the company in volume gains, recorded a more modest 8% sales increase in February.

The only sales loser of the 19 retail companies tracked in February was City of Commerce, Calif.-based The Federated Group. Volume for the electronics superstore chain was down 8.2% for the month. The Federated Group has been suffering from expansion into economically depressed Texas, as well as the entry of Circuit City into its home market of Los Angeles.

Sales strongest in early February

Major chains	% change	February sales* 1987	February sales* 1986	Stores 1987	Stores 1986	1-mo. sales* 1987	1-mo. sales* 1986	% change
Sears[1,2]	+ 4.8	$1,645,700	$1,570,500	806	800	$1,645,700	$1,570,500	+ 4.8
Penney[3]	+ 5.3	780,000	741,000	1,850	1,913	780,000	741,000	+ 5.3
Ward	+11.1	276,043	249,043	293	293	276,043	249,043	+11.1
May Dept. Stores	+15.0	631,800	549,500	2,764	2,400	631,800	549,500	+15.0
Dayton Hudson	+19.5	601,800	503,800	482	1,207	601,800	503,800	+19.5
Federated[3]	+ 7.3	549,100	511,600	505	467	549,100	511,600	+ 7.3
Carter Hawley Hale	+ 7.6	240,800	223,800	304	302	240,800	223,800	+ 7.6
Mercantile	+ 6.9	113,213	105,876	82	80	113,213	105,876	+ 6.9
Carson Pirie Scott[4]	+24.0	56,000	45,178	342	N/A	56,000	45,178	+24.0
K mart[1,5]	+13.1	1,459,193	1,289,635	2,204	2,180	1,459,193	1,289,635	+13.1
Wal-Mart	+43.9	885,000	615,000	1,058	887	885,000	615,000	+43.9
Zayre	+25.7	326,992	260,203	1,099	986	326,992	260,203	+25.7
Woolworth[3]	+ 7.1	249,000	233,000	N/A	N/A	249,000	233,000	+ 7.1
Ames	+30.4	113,600	87,100	463	450	113,600	87,100	+30.4
Bradlees	+ 6.1	104,000	98,000	162	157	104,000	98,000	+ 6.1
Tandy[3]	+14.8	210,737	183,567	N/A	N/A	210,737	183,567	+14.8
Circuit City	+33.5	67,400	50,500	87	93	67,400	50,500	+33.5
Federated Group	− 8.2	25,700	28,000	65	59	25,700	28,000	− 8.2
Best Buy	+99.0	20,700	10,400	23	12	20,700	10,400	+99.0
Totals & Averages	+13.6	$8,356,778	$7,355,702	—	—	$8,356,778	$7,355,702	+13.6

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Domestic operations only. [3]Excludes supermarket sales. [4]Retail division only. [5]Continuing operations only. [6]Store number for K mart stores only.

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